

**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF DELAWARE**

<b>In Re:</b>	<b>§</b>	<b>Chapter 11</b>
	<b>§</b>	
<b>W.R. GRACE &amp; CO., et al.,</b>	<b>§</b>	<b>Jointly Administered</b>
	<b>§</b>	<b>Case No. 01-01139 (JKF)</b>
<b>Debtors.</b>	<b>§</b>	
	<b>§</b>	

**FEE AUDITOR'S FINAL REPORT REGARDING  
FEE APPLICATION OF DUANE MORRIS LLP  
FOR THE EIGHTH INTERIM PERIOD**

This is the final report of Warren H. Smith & Associates, P.C. ("Smith"), acting in its capacity as fee auditor in the above-captioned bankruptcy proceedings, regarding the Eighth Interim Quarterly Fee Application of Duane Morris LLP (the "Application").

**BACKGROUND**

1. Duane Morris LLP ("Duane Morris") was retained as counsel to the official committee of asbestos property damage claimants. In the Application, Duane Morris seeks approval of fees totaling \$32,900.90 and costs totaling \$1,415.62 for its services from January 1, 2003, through March 31, 2003.

2. In conducting this audit and reaching the conclusions and recommendations contained herein, we reviewed in detail the Application in its entirety, including each of the time entries included in the exhibits to the Application for compliance with 11 U.S.C. § 330, Local Rule 2016-2 of the Local Rules of the United States Bankruptcy Court for the District of Delaware, Amended Effective February 1, 2001, and the United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. 330, Issued January 30,

1996, (the "Guidelines"), as well as for consistency with precedent established in the United States Bankruptcy Court for the District of Delaware, the United States District Court for the District of Delaware, and the Third Circuit Court of Appeals. We served on Duane Morris an initial report based on our review, and received a response from Duane Morris, portions of which response are quoted herein.

## **DISCUSSION**

### General Issues

3. In our initial report, we noted that the time entries were generally adequately detailed and devoid of lumping.

### Specific Expense Entries

4. We further noted two overtime entries totaling \$95.90 for activities that may not be compensable. The entries are provided below.

1/21/2003	OVERTIME RELATED COSTS REVIEW, SORT, FILE, INDEX	47.95
2/19/2003	OVERTIME RELATED COSTS 2/12/03 REVIEW, FILE, SORT, & ORGANIZE PLEADINGS & CORRESPONDENCE	47.95

Paragraph II. E. 7. of the Guidelines states, "[f]actors relevant to a determination that the expense is proper include the following: . . . Whether the expenses appear to be in the nature of nonreimbursable overhead . . . Overhead includes word processing, proofreading, secretarial and other clerical services, . . ." We asked Duane Morris to explain why the referenced tasks should be deemed compensable. Duane Morris responded as follows.

We are not contesting the amount indicated in the Report.

We appreciate the response, and thus we recommend a reduction of \$95.90 in expenses.

## CONCLUSION

5. Thus, we recommend approval of fees totaling \$32,900.90 and costs totaling \$1319.72 (\$1,415.62 minus \$95.90) for Duane Morris' services from January 1, 2003, through March 31, 2003.

Respectfully submitted,

**WARREN H. SMITH & ASSOCIATES, P.C.**

By: 

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## FEE AUDITOR

## CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document has been served First Class United States mail to the attached service list on this 15<sup>th</sup> day of July, 2003.



Warren H. Smith

**SERVICE LIST**  
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